



Department of Finance
Canada

Ministère des Finances
Canada

Deputy Minister

Sous-ministre

Ottawa, Canada
K1A 0G5

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Mr. Masamichi Kono
Acting Chair, IFRS Foundation Monitoring Board
c/o Financial Services Agency of Japan
3-2-1 Kasumigaseki Chiyodaku
Tokyo 100-8967
Japan

Dear Mr. Kono,

I am writing to provide my views on the IFRS Foundation Monitoring Board's consultative report on the Review of the IFRS Foundation Governance.

I support the adoption of independent high-quality harmonized global accounting standards that reinforce financial stability. To provide public confidence in those global standards, it is important that the standard-setter have a high level of due process and consult broadly with all stakeholders, especially in countries that have adopted IFRS. I encourage the International Accounting Standards Board (IASB) and the IFRS Foundation Board to increase the level of outreach to Canadians. For example, it is important that the IASB continue its discussions with Canadian insurers, who have expressed concerns about the potential consequences of the proposed international accounting standard on insurance contracts.

With regard to the composition of the Monitoring Board, I believe that the membership of the board should be expanded to include all major countries that have adopted IFRS, including Canada, and that a mechanism should be provided to allow countries that are not on the board to voice their views. A board that allows for broad global representation will provide a stronger link between the standard-setter and public authorities.

The Monitoring Board should also include prudential regulators and other authorities in charge of the stability of the financial system, both at a national level and possibly through the Basel Committee on Banking Supervision or the Financial Stability Board. Financial reporting standards have implications for financial stability and a more formalized dialogue with these authorities will strengthen capital markets.

I very much appreciate your consideration of this matter.

Sincerely,

A handwritten signature in cursive script that reads "Michael Horgan". The signature is written in black ink and is positioned above the printed name.

Michael Horgan

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